

A G E N D A

UTAH BOARD OF WATER RESOURCES

St. George Inn
(Four Points Sheraton)
1450 S. Hilton Drive
St. George, Utah

March 14, 2002

8:30 a.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - January 25, 2002

III. CHAIR'S REPORT

IV. WATER SUPPLY REPORT

NRCS

County

V. FEASIBILITY REPORTS

E042 Fountain Green Irr. Co.

Sanpete

E068 Magna Water Co. an Improvement District

Salt Lake

VI. COMMITTAL OF FUNDS

E008 Callao Irr. Co.

Juab

VII. SPECIAL ITEMS

D967 Springville City (Withdrawal)

Utah

D995 Hooper Irr. Co. (Withdrawal)

Weber

D999 Price-Wellington Control Board (Withdrawal)

Carbon

E026 Bristlecone WID (Withdrawal)

Garfield

E066 East Zion SSD (Withdrawal)

Kane

L522 Springville City (Withdrawal)

Utah

D906 Holliday Water Co. (Withdrawal)

Salt Lake

E075 Spanish Fork City (Bond Ins.)

Utah

VIII. DIRECTOR'S REPORT

IX. OTHER ITEMS

X. NEXT BOARD MEETING - April 19, 2002 - Salt Lake City

XI. ADJOURNMENT

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

March 14, 2002

Funds Available for Projects This FY	\$ 6,294,000
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Projects Contracted This FY

1 Mona Irr Co	E048	\$ 326,000
2 Torrey Irr Co	E054	30,000
3 Red Creek Irr Co	E038	42,500
4 Devil's Pass Water Co	D964	327,000
5 Deseret Irr Co	E056	200,000
6 Grantsville Irr Co	E050	288,000
7 Chalk Creek Narrows Irr Co (Amend)	E019	750,000
8 Ferron Canal & Reservoir Co	D942	850,000
9 Summit Water Distribution Co	D776	1,000,000
10 Herriman Pipeline & Development Co	E055	637,000
11 Piute Res & Irr Co (Piute Dam)	C022 Grant **	<u>220,000</u>

Total Funds Contracted	\$ 4,671,000
Funds Balance	<u>\$ 1,623,000</u>

Projects with Funds Committed

1 Parowan West Fields Irr Co	E044	\$ 15,200
2 Green River Canal Co	E046	35,000
3 Leamington Irr Co	E063	68,000
* 4 Callao Irr Co	E008	184,000
5 Kays Creek Irr Co (Adams Dam) Amd	C001 Grant **	4,000
Commitments for Dam Safety Studies	**	<u>201,000</u>

Total Funds Committed	\$ 507,000
Funds Balance	<u>\$ 1,116,000</u>

Projects Authorized

1 Beaver Bench Irr Co	D918	\$ 280,000
2 Croydon Pipeline Co	D962	35,000
3 North Canyon Irr Co	D955	315,000
4 East Bench Canal Co	E032	256,000
5 Scipio Irr Co	E049	570,000
6 Marion Waterworks Co	E053	320,000
7 Deseret Irr Co	E056	520,000
8 Fremont Waterworks Co	E057	150,000
* 9 Fountain Green Irr Co	E042	<u>212,000</u>

Total Funds Authorized	\$ 2,658,000
Remaining Funds Available	<u>\$ (1,542,000)</u>

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

March 14, 2002

Funds Available for Projects This FY	\$	1,346,000
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Projects Contracted This FY

1	\$	-
Total Bonds Closed	\$	-
Funds Balance	\$	1,346,000

Funds Committed to Projects

1 Alpine Cove Water SSD	D930	\$	480,000
2 Pleasant Grove City	E003		150,000
3 North Salt Lake City (Amend)	L530		440,000
* 4 Spanish Fork City	E075		<u>125,000</u>
Total Funds Committed		\$	1,195,000
Funds Balance		\$	151,000

Projects Authorized

1 Hanna Water & Sewer District	D983	\$	1,146,000
2 Trenton Town	L534		<u>1,304,000</u>
Total Funds Authorized		\$	2,450,000
Remaining Funds Available		\$	(2,299,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

**Conservation & Development Fund
Funding Status**

March 14, 2002

Funds Available for Projects This FY **\$ 10,831,000**

Projects Contracted/Bonds Closed This FY

1 Nibley City	L525	\$ 125,000
2 River Heights City	L537	839,000
3 Davis & Weber Counties Cnl Co (Ph II)	E035	2,425,000
4 Willard City	L538	425,000
5 Alpine City (Bond Ins Grant)	E051	75,000
6 Tooele City (Bond Ins Grant)	E052	80,000
7 Weber Basin WCD (Secondary Irr, Ph I)	E029	531,000
8 Nordic Mountain Water, Inc. (Amend)	E007	293,000
9 Ferron Canal & Reservoir Co	D942	1,150,000
10 Summit Water Distribution Co	D776	<u>2,000,000</u>

Total Funds Contracted/Closed	<u>\$ 7,943,000</u>
Funds Balance	<u>\$ 2,888,000</u>

Funds Committed to Projects

1 Morgan Secondary Water Association	E031	\$ 2,790,000
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Total Funds Committed	<u>\$ 2,790,000</u>
Funds Balance	<u>\$ 98,000</u>

Projects Authorized

1 Uintah WCD (Red Wash)	D730	\$ 1,940,000
2 Strawberry High Line Canal Co	D976	3,187,000
3 Kanab Irr Co	D968	62,000
4 Center Creek Culinary Water Co	E020	450,000
5 Ivins City	L533	440,000
6 Uintah WCD (Island Ditch)	E036	720,000
7 Mountain Regional Water SSD	E040	1,675,000
8 Price City	L540	3,750,000
9 Wellsville-Mendon Conservation District	E058	192,000
10 Midway Irr Co	E064	2,414,000
11 Town of Brian Head	L541	1,700,000
* 12 Magna Water Co an Improvement District	E068	<u>700,000</u>

Total Funds Authorized	<u>\$ 17,230,000</u>
Remaining Funds Available	<u>\$ (17,132,000)</u>

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

March 14, 2002

ADDITIONAL ACTIVE PROJECTS	Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects			
1 Davis & Weber Counties Cnl Co (Ph 4)	D674 C&D	\$ 10,925,000	\$ 12,853,000
2 Carbonville Ditch Co	D887 RCF	462,000	597,000
3 Central Utah WCD (Prepay FY98,99,00)	D960 C&D	3,000,000	3,000,000
4 Washington County WCD (Ivins)	D925 C&D	1,390,000	5,100,000
5 Weber Basin WCD (Secondary Irr, Ph 2-5)	E029 C&D	28,369,000	33,375,000
6 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035 C&D	18,230,000	21,447,000
7 Hooper Irr Co (Press Irr)	E060 C&D	16,575,000	19,500,000
Subtotal		\$ 78,951,000	\$ 95,872,000
Projects Under Investigation			
1 Downs Ditch Water Co	D899 RCF	\$ 7,500	\$ 10,000
2 Juab Lake Irr Co	D901 RCF	75,000	100,000
3 K Ranch LLC	D954 RCF	206,250	275,000
4 Keith Johnson	D996 RCF	37,500	50,000
5 Billy Bethers Spring, Cul, & Domestic	E021 RCF	300,000	400,000
6 Ephraim Irr Co	E061 RCF	2,100,000	2,800,000
7 Porcupine Highline Canal Co	E062 RCF	75,000	100,000
8 Marion Park Estates	E065 RCF	173,250	231,000
9 Mayfield Irr Co	E067 RCF	187,500	250,000
* 10 Redmond Lake Irr Co	E072 RCF	60,000	80,000
* 11 Brady Ditch Co	E073 RCF	51,000	68,000
12 Summit County Service Area #3	E045 CWL	414,750	553,000
13 Beaver City	L543 CWL	147,000	196,000
14 Woodruff Irrigating Co	D680 C&D	600,000	800,000
15 Kane County WCD	D828 C&D	1,500,000	2,000,000
16 Richfield City	D898 C&D	450,000	600,000
17 Uintah WCD (Leota Bench)	D944 C&D	750,000	1,000,000
18 East Carbon City (Dam)	D969 C&D	7,500,000	10,000,000
19 Silver Spurs Water Co	D990 C&D	21,000	28,000
20 Gunnison Butte Mutual Irr Co	E004 C&D	10,500,000	14,000,000
21 Town of Altamont	E012 C&D	142,500	190,000
22 Draper Irr Co	E023 C&D	4,050,000	5,400,000
23 City of South Jordan	E034 C&D	2,253,000	3,004,000
24 Payson City (Walker Flat)	E037 C&D	7,500,000	10,000,000
25 Hyrum Blacksmith Fork Irr Co	E047 C&D	2,025,000	2,700,000
26 New Santa Clara Field Canal Co	E069 C&D	1,827,750	2,437,000
* 27 Johnson Water District	E070 C&D	656,250	875,000
* 28 East Juab County WCD	E071 C&D	375,000	500,000
* 29 Centerville City	L544 C&D	1,549,500	2,066,000
Subtotal		\$ 45,534,750	\$ 60,713,000
TOTAL		\$ 124,485,750	\$ 156,585,000

* New Applications

BOARD OF WATER RESOURCES

March 14, 2002

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Mapleton City	D886

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-042**
Received: 11/3/00
Approved: 12/8/00

To be Presented at the March 14, 2002 Board Meeting

SPONSOR: **FOUNTAIN GREEN IRRIGATION COMPANY**
(BIG SPRINGS DIVISION)

President: Bob Hansen

LOCATION: The proposed project is located in and around Fountain Green City, about eight miles north of Moroni in Sanpete County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides pressurized water for sprinkle irrigation to farmland south of Fountain Green and also for lawns and gardens in town; about 3,500 total acres are served.

Portions of the system have experienced excessive pressures, sometimes resulting in pipe ruptures, due to pressure reducing valves not operating properly. Some of this problem dates to shortly after the system was installed in the 1970s and has been a source of considerable repair time and expense. Other problems with the pressurized irrigation system are:

- Growth and development have led to some unbalancing of the system and low pressures in places.
- A concrete-lined ditch, which runs through a field and carries overflow from a portion of the system to a natural drainage channel, is deteriorated and in need of replacement.
- A pipe inlet screen used in a portion of the system regularly plugs, limiting flow; the screen is difficult to clean and maintain due to its underwater location.

PROPOSED
PROJECT:

The sponsor is requesting technical and financial assistance from the board to improve its irrigation system by replacing pressure reducing and other valving in each of the system's five stations (larger filters will be installed to improve valve performance), replacing small PVC pipe with larger pipe to increase pressures in "unbalanced" areas, replacing the concrete ditch with polyethylene pipe, and constructing a new pipe inlet structure including control gate and self-cleaning screen.

Division staff will provide design and construction engineering services.

COST ESTIMATE: The following cost estimate was prepared by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u> <u>Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$5,000	\$ 5,000
2.	Pressure Reducing Stas.	LS	100,000	100,000
3.	PVC Pipe			
	a. 6-inch	3,000 LF	9.00	27,000
	b. 4-inch	2,000 LF	8.00	16,000
4.	18-inch Polyethylene Pipe	2,000 LF	9.00	18,000
5.	Pipe Inlet Structure	LS	18,000	18,000
6.	Road Crossings	LS	20,000	<u>20,000</u>
Construction Cost				\$204,000
Contingencies				20,400
Legal and Administrative				4,000
Design and Construction Engineering				<u>21,600</u>
TOTAL				\$250,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 212,000	85%
Sponsor	<u>38,000</u>	<u>15</u>
TOTAL	\$ 250,000	100%

If the board authorizes the project, it is suggested it be purchased in 25 years at 0% interest with annual payments of approximately \$8,500.

FINANCIAL
FEASIBILITY:

The project will reduce system operation and maintenance costs by about \$7,000 annually. If that amount was set as the sponsor's payment to the board, a repayment period of 30 years would result, which exceeds board guidelines; staff recommends a fixed period of 25 years.

The sponsor currently assesses each of its 1,486 Big Springs Division shares \$25.00 annually. The proposed annual payment for the project is equivalent to about \$5.70/share if just Big Springs shareholders are assessed for it, but since some project components benefit the entire irrigation company, the sponsor plans to assess all company shares equally (about \$5.00/share).

BENEFITS:

The proposed project will significantly reduce maintenance costs and time on the system by replacing aged control valves and problem sections of pipe. Higher and more uniform pressures will result from replacing small pipe in areas where growth has occurred, and more effective screening of water entering the system will be accomplished.

PROJECT
SPONSOR:

The Fountain Green Irrigation Company originally incorporated in 1903, then reorganized and reincorporated in 1956. It is presently registered in good standing with the state Department of Commerce, and consists of 1,688 shares of stock.

The sponsor has participated with the board in seven past projects, all of which have been purchased: three canal lining projects built 1959-63; the first three phases of the company's sprinkle irrigation system, covering 1,300 acres of farmland and the city's lawn and garden system, was one project and was built 1976-77; the Birch Creek Division sprinkle project was built 1977-78; a flood damage repair project was built 1983-84; a project to improve the Birch Creek system was built in 1995.

WATER RIGHTS
& SUPPLY: The sponsor's main water supply comes from springs, with wells used to supplement the flow when needed. All company water rights are currently in the name of the board.

EASEMENTS: Although the proposed project will be built largely on land where easements were obtained for previous projects (land owned by company shareholders), some new easements may be required, including for road crossings.

ENVIRONMENTAL: The proposed project is not expected to have any detrimental effects on the environment other than the usual dust and noise associated with construction.

WATER
CONSERVATION: The project will eliminate water loss due to pipeline breaks caused by aged, malfunctioning pressure reducing valves.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
 - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

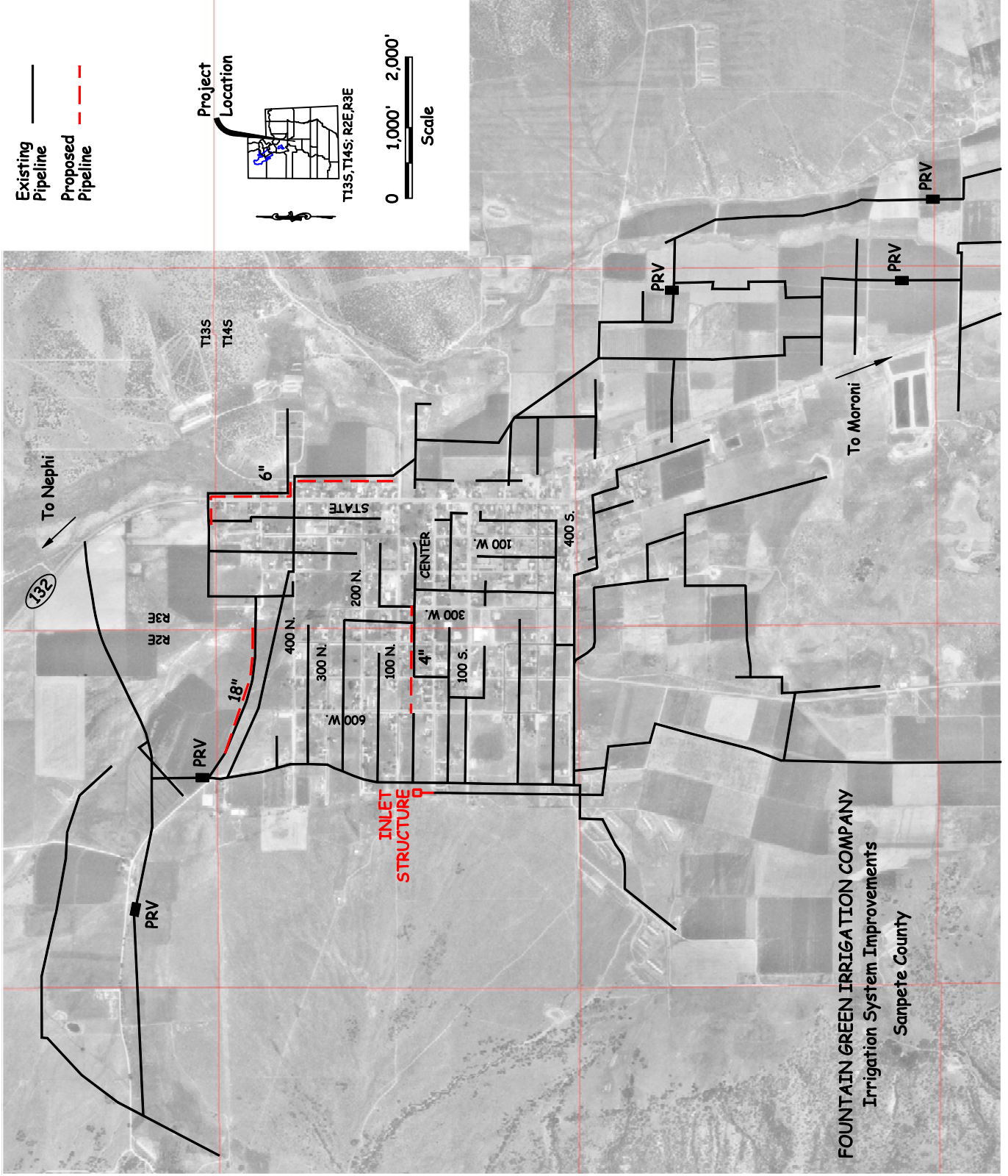
c. The company has obtained all permits required for the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that the company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, and land necessary for the project.

5. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT	President:	Bob Hansen
CONTACT		P.O. Box 164
PEOPLE:		Fountain Green, UT 84632
		Phone: (435) 445-3541
	Secretary:	Mary Gilgen
		P.O. Box 164
		Fountain Green, UT 84632
		Phone: (435) 445-3566



BOARD OF WATER RESOURCES
Feasibility Report
Conservation and Development Fund

Appl. No.: **E-068**
Received: 12/21/01
Approved: 1/25/02

To be Presented at the March 14, 2002 Board Meeting

SPONSOR: **MAGNA WATER COMPANY AN IMPROVEMENT DISTRICT**

District Manager: Ed Hansen

LOCATION: The proposed project is located in the unincorporated community of Magna in northwestern Salt Lake County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides culinary water to about 7,100 connections; it also collects and treats sewage. Water is obtained from a number of wells and a connection to the Jordan Valley Water Conservancy District (JVWCD) system. The sponsor has been experiencing substantial growth in the number of connections it serves and is continually investigating water source alternatives.

Although a small number of residences (about 1% of total connections) in close proximity to irrigation canals have ditch water available to them, this number is shrinking as ditches are abandoned due to new development. Almost all residences and large water users in the district currently use culinary water for outdoor watering, putting a severe strain on the drinking water system.

The sponsor feels that installing a secondary irrigation system would be an optimal method of conserving its limited culinary water supply. Proposed water sources for such a system would include rights to two underground drains, and a right for 8 cfs of the sponsor's wastewater treatment plant effluent.

The sponsor requires owners to turn over canal company shares or water rights as new developments are installed within improvement district boundaries. It also requires secondary irrigation piping be installed in new developments.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to install the first phase of a pressurized secondary irrigation system. Phase I will include a 5 acre-foot regulating pond, 5 cfs pumping facility at an underground drain (whose water is of adequate quality for irrigation purposes), 2½ miles of transmission pipeline, and enhancements to a wetlands area within the district. Technical assistance is being provided by Epic Engineering.

The sponsor intends Phase I to be a "pilot project" which will serve about 48 acres of irrigated land at several schools, parks, and churches, as well as approximately 430 residences along the pipeline route. The district plans to install secondary irrigation throughout the remainder of its service area in subsequent phases as demand and economics warrant, and may return to the board with new applications for those phases.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Regulating Pond	LS	\$135,000	\$ 135,000
2.	Pumping Station	LS	220,000	220,000
3.	PVC Pipeline			
	a. 18-inch	2,500 LF	65.00	162,500
	b. 14-inch	7,800 LF	45.00	351,000
	c. 8-inch	3,000 LF	20.00	60,000
4.	Service Connection	439 EA	500	<u>219,500</u>
Construction Cost				\$1,148,000
Contingencies				115,000
Property Purchase				80,000
Wetlands Enhancement				39,000
Legal and Administrative				28,000
Design & Construction Engineering				<u>140,000</u>
TOTAL				\$1,550,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 700,000	45%
CUWCD Conservation Grant	700,000	45
Sponsor	<u>150,000</u>	<u>10</u>
TOTAL	\$1,550,000	100%

If the board authorizes the project, it is suggested the bonded indebtedness of \$700,000 be repaid in 25 years at 1% interest with annual payments of approximately \$33,300 (includes reserves).

A Central Utah Water Conservancy District (CUWCD) conservation credit grant has been approved and should be available when the project is ready for construction. **If that is fall, 2002, then the sponsor requests the board provide \$700,000 at that time from the Revolving Construction Fund because of the current dearth of monies in the C&D Fund. If the board agrees to this, staff suggests its funding be returned with annual payments of \$33,300 at 0% interest over approximately 21 years.**

ECONOMIC
FEASIBILITY:

The proposed project is economically feasible if the cost of the best alternative exceeds the cost of the project. An obvious alternative to using secondary water is to purchase additional water from JVVCD, the cost of water from whom would be approximately \$278 per acre-foot. Operation and maintenance using water from the sponsor's proposed drain sources will cost approximately \$74 per acre-foot. The benefit/cost ratio of the proposed project, calculated over a 50-year life, is 1.48.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, Magna residents could pay up to \$32.84 monthly for all water. The cost of water for those served by this initial phase of the sponsor's pressurized irrigation proposal is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Culinary Water	\$73,900	\$15.59
Property Tax	15,400	3.25
Secondary O&M	75,000	15.82
Proposed BWR Loan	<u>33,300</u>	<u>7.03</u>
TOTAL	\$197,600	\$41.69

Current culinary water rates, which are the same for all users, are \$10.95 for the first 6,000 gallons, \$0.98 per thousand gallons for the next 40,000, and \$1.10 per thousand above that. The sponsor is considering increasing overage charges to encourage residents to connect to the secondary system. Only those on the secondary system will pay for the proposed board loan.

BENEFITS: The project will replace, with lower grade water, culinary water currently used for outdoor irrigation. This will reduce the strain on the sponsor's culinary system and will delay the need for additional culinary water sources and facility upgrades.

PROJECT SPONSOR: The sponsor serves approximately 27,000 people (7,100 connections) within the unincorporated community of Magna and a portion of West Valley City (areas from 2100 to 4100 South, and 5600 to 9200 West). It has experienced an annual growth rate of about 3.5% the past few years.

The Governor's Office of Planning and Budget projects an annual county growth rate of around 1.5% through 2030; the district uses a rate of nearly 2.5% in its Master Plan.

The board provided \$1 million (22.5%) to the sponsor in the late 1990s to help make improvements to the culinary water system. That loan is being repaid in 15 years at 3% interest with escalating annual payments.

WATER RIGHTS & SUPPLY: The sponsor obtains water for its culinary system from 15 wells (up to 8,050 gpm), plus a connection to the JVVCD system (350 gpm). Water for the proposed project will come from a ground drain from which the sponsor has the right (59-4802) to use 5 cfs (2,245 gpm). Water for future phases of the secondary system will come from the sponsor's wastewater treatment plant effluent (8 cfs, WR# 59-1004), another ground drain (1 cfs, WR# 59-3598), and water rights and canal water shares turned over to the sponsor by developers.

EASEMENTS: Property for the pond and pump station will need to be purchased. The pipeline will follow existing roads and obtaining easements should not present a problem.

ENVIRONMENTAL: All project facilities will be placed on previously disturbed areas, so no long-term environmental impacts are foreseen.

As part of the sponsor's agreement with CUWCD, an existing wetland area will be enhanced and possibly enlarged.

WATER
CONSERVATION:

The project will replace, with lower grade water, about 640 acre-feet of culinary water currently used annually for outdoor irrigation.

The sponsor has a water management and conservation plan in place. It has a stepped water use overage rate and asks residents to not water landscapes from 10:00 a.m. to 7:00 p.m., although this is voluntary. It occasionally sets mandatory watering restrictions when supplies run low.

The sponsor promotes water conservation and is planning, as part of the proposed project, to further educate its customers on appropriate outdoor watering practices utilizing the secondary irrigation system. It is also considering individual secondary system connection metering, and is pursuing grant funds to pay for meter installation and secondary water use documentation.

As a condition of board funding, the sponsor will be required to adopt an ordinance prohibiting the irrigation of landscapes between the hours of 10:00 a.m. and either 6:00 p.m. or 7:00 p.m., as well as review its water rates to determine what adjustments should be made to further encourage conservation.

SPONSOR'S
RESPONSIBILITIES:

The sponsor will be required to make all arrangements to sell the board a non-voted revenue bond as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a list of procedures and requirements necessary to close the loan will be furnished to the sponsor.

Staff will also provide the sponsor information on its responsibilities if the board ultimately provides assistance from the Revolving Construction Fund instead of the C&D Fund.

PROJECT
CONTACT
PEOPLE:

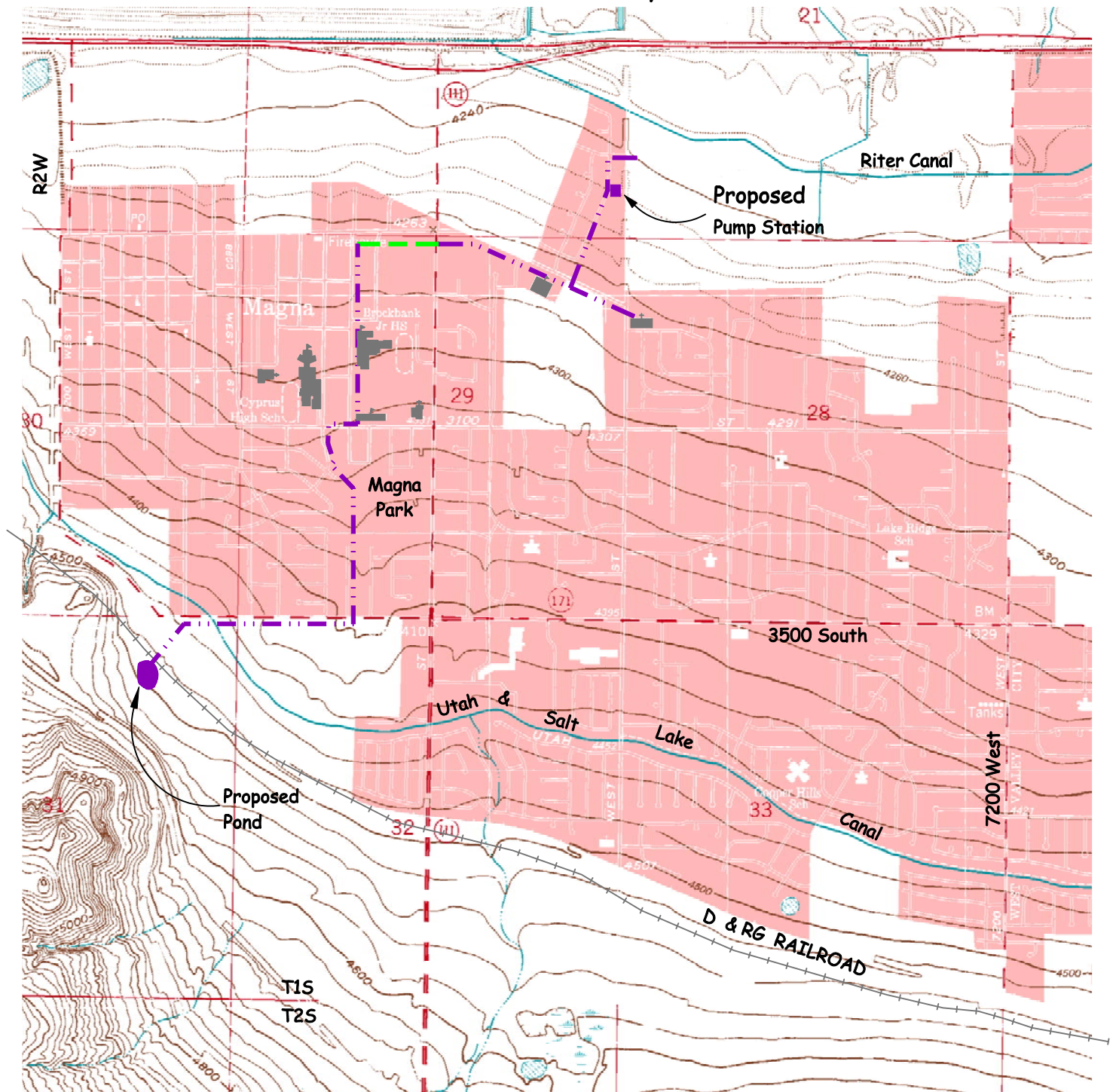
District Manager:

Edwin J. Hansen
2711 South 8600 West
Magna, UT 84044
Phone: (801) 250-2118

Engineer:

Don I. Olsen, P.E.
Epic Engineering
2880 West 4700 South, Ste. D
Salt Lake City, UT 84118
Phone: (801) 955-5605

MAGNA WATER COMPANY AN IMPROVEMENT DISTRICT Proposed Secondary System Salt Lake County

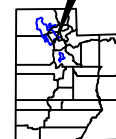


- Existing Pipeline
- - - Proposed Pipeline

Scale in Feet



Project Location



T1S; R2W

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-008**
Received: 4/9/99
Approved: 4/30/99
Authorized: 10/29/99

To be Presented at the March 14, 2002 Board Meeting

SPONSOR: **CALLAO IRRIGATION COMPANY**

Secretary: Don Anderson
SR 290
Callao, UT 84083
Phone: (435) 693-3136

LOCATION: The proposed project is located in and around the community of Callao, about 100 miles west of Nephi in Juab County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to install an agricultural pressurized irrigation system consisting of a well, a regulating pond, and approximately 12,000 feet of pipe; the system will serve 600 acres. The project was authorized for Don Anderson, Dennis Timm, and Cecil Garland, three of Callao Irrigation Company's five stockholders who, because the other two were not interested in sprinkling, planned to form a new corporation and transfer some of their company stock to it; Anderson, Timm, and Garland were to remain part of Callao Irrigation, however, where the rest of their lands (apart from the 600 acres) were concerned.

Rather than the three stockholders forming a new company, it has since been decided to have Callao Irrigation Company sponsor the project (of the remaining two stockholders, one recently installed pressurized irrigation using other funding, and the other passed away). All current company members approve of the proposed project.

COST ESTIMATE
& SHARING:

The engineer's current cost estimate is slightly higher than when the project was authorized about 2½ years ago. The authorized and proposed cost sharing are:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$ 170,000	\$ 184,000	80%
Sponsor	<u>43,000</u>	<u>46,000</u>	<u>20</u>
TOTAL	\$ 213,000	\$ 230,000	100%

PURCHASE
AGREEMENT:

The purchase agreement authorized by the board requires the project to be purchased with annual payments of \$9,600 at 0% interest over approximately 18 years. If the board commits funds to the project, it is proposed the \$184,000 be returned with annual payments of \$9,600 at 0% interest over approximately 20 years.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **D-967**
Received: 7/21/97
Approved: 8/8/97

To be presented at the March 14, 2002 Board Meeting

SPONSOR: ***SPRINGVILLE CITY***

Mayor: E. Fritz Boyer
50 South Main
Springville, UT 84663
Phone: (801) 489-2700

LOCATION: The proposed project is located throughout
Springville City in Utah County.

SUMMARY: The city requested financial assistance from the
board to install a pressurized secondary
irrigation system. Because the city shows no
interest in pursuing the project at this time,
staff recommends the application be withdrawn
from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **D-995**
Received: 10/29/98
Approved: 10/30/98

To be Presented at the March 14, 2002 Board Meeting

SPONSOR: ***HOOPER IRRIGATION COMPANY***

President: Robert W. Penman
5375 South 5500 West
Hooper, UT 84315
Phone: (801) 985-8429

LOCATION: The project is located in the western portion of the community of West Weber, which is about eight miles west of Ogden in Weber County.

SUMMARY: The sponsor requested financial assistance from the board to replace a deteriorated concrete-lined ditch with pipeline. The sponsor subsequently obtained a loan from the state Department of Agriculture and completed the project. Staff therefore recommends the application to the board be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **D-999**
Received: 1/6/99
Approved: 1/29/99
Authorized: 6/11/99

To be Presented at the March 14, 2002 Board Meeting

SPONSOR: ***PRICE-WELLINGTON CONTROL BOARD***

President: Dale Mathis

LOCATION: The proposed project extends from about five miles north of Price City, to Wellington in Carbon County.

SUMMARY: The board authorized \$3.925 million (37%) to the sponsor to help it replace 11 miles of main irrigation canal and nine miles of laterals with a piped conveyance system consisting of a regulating reservoir, about 18 miles of transmission and distribution pipeline, and some on-farm improvements using sprinkle irrigation. In addition, the system was to provide irrigation for about 150 acres of open space in Price City as well as pressurized secondary water for about 600 homes.

Nearly half the project's \$10.6 million cost was to have been paid by a Bureau of Reclamation salinity control grant. Since the grant was subsequently not approved, however, and since the sponsor will not be constructing the project anytime soon, staff recommends the application to the board be deauthorized and withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **E-026**
Received: 2/10/00
Approved: 3/9/00
Authorized: 6/16/00

To be Presented at the March 14, 2002 Board Meeting

SPONSOR: **BRISTLECONE WATER IMPROVEMENT DISTRICT**

District Manager: Ted Davis
97 West 400 South
Cedar City, UT 84720
Phone: (435) 867-1111

LOCATION: The project is located around Foster's Motel and Restaurant, about 4½ miles northwest of the northern entrance to Bryce Canyon National Park in Garfield County.

SUMMARY: The board authorized \$935,000 of a \$1,100,000 drinking water system improvement project that included a 500,000 gallon culinary water storage tank, about six miles of transmission and distribution pipeline downstream of the tank, fire hydrants, a telemetry system, and culinary lines to the Bryce Canyon Resort development and Garfield County airport. The board's loan is to be secured by either a general obligation or water revenue bond, and is to be repaid in 15 years at 4% interest with annual payments of approximately \$84,000.

Subsequent to authorization, division staff sent a "Letter of Conditions" to the district outlining what it must do to sell the board a bond and receive state funds for construction, engineering, and other expenses. Progress by the district in completing these items has been slow, and it is evident some of the conditions cannot be met. Staff therefore recommends the sponsor's application be deauthorized and withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **E-066**
Received: 12/7/01
Approved: 1/25/02

To be Presented at the March 14, 2002 Board Meeting

SPONSOR: ***EAST ZION SPECIAL SERVICE DISTRICT***

Chairman: Joe Judd
999 S. Hamblin Drive
Kanab, UT 84741
Phone: (435) 644-2106

LOCATION: The proposed project is located in western Kane County, about 13 miles west of Mount Carmel.

SUMMARY: The sponsor requested financial assistance from the board to drill and equip a culinary water well, build a 250,000 gallon storage tank, and install about 12,000 feet of transmission pipeline. While the project would serve eight permanent residences, most of it would serve 25 summer cabins in Ponderosa Ranch Resort and 280 lots in two undeveloped subdivisions.

Since the project is to largely serve summer residences in undeveloped subdivisions, which does not meet board guidelines, staff recommends the application be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **L-522**
Received: 7/21/97
Approved: 8/8/97
Authorized: 12/12/97

To be presented at the March 14, 2002 Board Meeting

SPONSOR: ***SPRINGVILLE CITY***

Mayor: E. Fritz Boyer
50 South Main
Springville, UT 84663
Phone: (801) 489-2700

LOCATION: The proposed project is located in Springville City
in Utah County.

SUMMARY: The board authorized a \$300,000 interest rate buydown
loan to the city to help it build a \$1,450,000
culinary water system improvement project that
included a 16-inch well and 2 million gallon storage
tank.

Because the city completed these facilities using
another source of funding, staff recommends the
application to the board be deauthorized and
withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **D-906**
Received: 6/2/95
Approved: 6/16/95
Authorized: 1/14/00
Committed: 1/19/01

To be Presented at the March 14, 2002 Board Meeting

SPONSOR: **HOLLIDAY WATER COMPANY**

President: George Grover
1887 East 4500 South
Salt Lake City, UT 84117
Phone: (801) 277-2893

LOCATION: The project is located in the Salt Lake Valley near
4700 South and 2900 East.

SUMMARY: The board committed \$500,000 (17%) to the sponsor to help construct a 2.5 MGD microfiltration culinary water treatment plant, develop some springs, install a pump station, and build a collection box for an existing spring source.

The sponsor has completed the project with its own resources and does not need board funding. Staff therefore recommends the sponsor's application be decommitted and withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report and Committal of Funds

Cities Water Loan Fund

Appl. No.: **E-075**

Received: 3/6/02

To be Presented at the March 14, 2002 Board Meeting

SPONSOR: ***SPANISH FORK CITY***

Mayor: Dale R. Barney
40 South Main
P.O. Box 358
Spanish Fork, UT 84660
Phone: (801) 798-5000

LOCATION: Spanish Fork City is located about six miles south of Provo in Utah County.

SUMMARY: The city is facing a major challenge in providing water to its rapidly increasing population. To better use its current water supplies and sources, it is installing a pressurized secondary irrigation system. The city's cost for the system will be paid from the proceeds of the sale of bonds. Zion Public Finance is the city's fiscal agent. The city plans to sell bonds and obtain over \$18 million, and is requesting the board pay costs associated with bond insurance.

PROPOSED PROJECT: The project consists of the construction of a pressurized irrigation system to serve Spanish Fork and includes two regulating reservoirs (35 and 50 acre-feet), seven wells, and several thousand feet of 6 to 36-inch pipeline. The system will be designed to serve over 13,000 connections, which is about double the current number. The city will install water meters and bill based on usage.

COST: The estimated construction cost is over \$18 million. The city is requesting the board provide a grant of \$125,000 to buy bond insurance. The insurance will reduce the interest rate from about 5.2% to near 4.4%, and save the city almost \$1.6 million in interest payments over the bond's 15-year repayment period.

ECONOMIC
FEASIBILITY:

The benefit/cost ratio is assumed to be 1.0.

STAFF COMMENTS:

Staff is very interested in a cooperative agreement with the city to review water meter readings and meter performance.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-070**
Received: 2/12/02

SPONSOR: **JOHNSON WATER DISTRICT**

Chairman: Bruce Dart
Rt. 3 Box 3188
Roosevelt, UT 84066
Phone: (435) 722-2620

LOCATION: The proposed project is located about seven miles northwest of Myton in Duchesne County.

PROPOSED PROJECT: The sponsor is requesting assistance to construct a 750,000 gallon culinary water storage tank, and install pipeline to connect it to the existing distribution system.

WATER RIGHTS: 43-59 (A38526)

COST ESTIMATE: \$875,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-071**
Received: 2/15/02

SPONSOR: ***EAST JUAB COUNTY WATER CONSERVANCY DISTRICT***

General Manager: R. Roscoe Garrett
P.O. Box 199
Nephi, UT 84648
Phone: (435) 623-0702

LOCATION: The proposed project is located in the Nephi area of Juab County.

PROPOSED PROJECT: The sponsor is requesting assistance in planning how to best complete the East Juab Water Efficiency Project, including converting land presently flood irrigated to sprinkle irrigation.

WATER RIGHTS: Water rights associated with potential projects are those of the Nephi Irrigation Company, currently in the name of the board.

COST ESTIMATE: It is not known if, after staff assists the sponsor with planning efforts, financial assistance will be requested from the board.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-072**
Received: 2/22/02

SPONSOR: **REDMOND LAKE IRRIGATION COMPANY**

President: Keith M. Hampton
P.O. Box 213
1157 W. Redmond Lake Rd.
Redmond, UT 84652
Phone: (435) 529-7159

LOCATION: The proposed project is located in and around the town of Redmond, about three miles north of Salina in Sevier County.

PROPOSED PROJECT: The sponsor is requesting assistance to install about 2,500 feet of 24-inch pipeline from Redmond Lake to a diversion structure. The sponsor desires to increase the flow from the lake by installing the pipe parallel to an existing 30-inch pipe in the same area.

WATER RIGHTS: In the name of the board.

COST ESTIMATE: \$80,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-073**

Received: 3/5/02

SPONSOR: **BRADY DITCH COMPANY**

President: Clyde F. Mortensen
P.O. Box 418
Fairview, UT 84629
Phone: (435) 427-3353

LOCATION: The proposed project is located about a mile west of Fairview City in Sanpete County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace a 50 year-old concrete-lined irrigation ditch with pipe.

WATER RIGHTS: The sponsor has decreed rights on the San Pitch River totaling 4.93 cfs.

COST ESTIMATE: \$68,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **L-544**
Received: 2/25/02

SPONSOR: ***CENTERVILLE CITY***

Mayor: Michael Deamer
250 North Main
Centerville, UT 84014
Phone: (801) 295-3477

LOCATION: The proposed project is located in Centerville in Davis County.

PROPOSED PROJECT: The sponsor is requesting assistance to:

- Improve its culinary water system by constructing two pumping stations and installing distribution pipelines.
- Improve its storm drainage system by installing three storm drain and three sub-drain lines.
- Build two auxiliary storage sheds to support water operations.

WATER RIGHTS: WUC Nos. 31-777, 3922, 4253, 4633, 4756, 4773, and 4850

COST ESTIMATE: \$2,066,000

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

January 25, 2002

Room 314, Utah Division of Water Resources
Department of Natural Resources
1594 West North Temple
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
January 25, 2002

The Board of Water Resources met in a briefing session on January 25, 2002, at 10:00 a.m. in Room 314 at the Utah Division of Water Resources.

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Ivan Flint
Brad Hancock
Cleal Bradford
Harold Shirley
Paul Riley

Not Present

Bill Marcovecchio

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Assistant Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Val Anderson, Engineer
Todd Adams, Chief, Hydrology and Computer Applications
Boyd Phillips, Engineer/Contracts

VISITORS

Norm Johnson, Assistant Attorney General
Sherm Hoskins, Department of Natural Resources
Joe Knox, Stewart Water
Rod Dean, Stewart Water
John Mabey, Attorney with Stewart Water
Nancy Frandsen, Stewart Title
Jonathan Buss, Stewart Title

Chair Lucille Taylor called the briefing meeting to order and welcomed everyone. She praised Director Anderson for being quoted in an article about Salt Lake Valley in the latest edition of the National Geographic Magazine.

TITLE INSURANCE

Director Anderson said he invited a group of people to the briefing meeting to talk about title insurance for water. He said Norm Johnson, from the Attorney General's office, was present and available to answer the Board's questions.

Joe Knox from Stewart Water introduced the people he brought with him representing Stewart Water and Stewart Title -- Rod Dean, John Mabey, Nancy Frandsen, Jonathan Buss. Mr. Knox said they appreciated the opportunity to meet with the Board members; they met earlier with Norm Johnson. Mr. Knox reviewed the information his firm prepared that was placed in the Board folders under the Director's Report section.

After listening to Mr. Knox, the Board members asked questions about security and water rights that are encumbered. Director Anderson said in the past sponsors have hired an attorney to opine the sponsors' water rights are free and clear and can be transferred to the Board. The title company would be responsible to do the research and provide title insurance to the Board in place of the attorney's opinion on the water rights. Norm Johnson said the Board is just as well off with title insurance; it would be a choice of the sponsors. They will not be told they have to buy title insurance.

There was a question about the procedures for the abandonment and forfeiture of water rights. Director Anderson said the Board only takes title to the water rights of the project; the same issues would arise with a legal opinion from an attorney. There was a discussion about whether or not the Board's statute, rule and/or guidelines would need to be changed to allow the Board to accept title insurance.

Warren Peterson made a motion that the Board allows title insurance as an option to an attorney's opinion. Cleal Bradford and Paul Riley seconded, and the Board unanimously agreed. Chair Taylor said she is concerned about the details of a policy, including exclusions and limitations. The Board will need to have a way to protect itself in each case.

Mr. Peterson expressed concerns about the priority date of the water rights being insured. Mr. Knox said they would not be insuring the water would be in the stream; but his firm could look at the wording of taking title to the "paper water" instead of "wet water". Mr. Peterson also asked about the easements and title to the facilities being included in the policy since the Board takes title to the water rights, easements and facilities.

After further discussion, Warren Peterson made a motion to ask staff and the Board's attorney to prepare proposed language accepting title insurance or an attorney's opinion. Paul Riley seconded and the Board passed the motion unanimously.

Director Anderson said staff thinks the language could be included in the letter of conditions and/or feasibility report. Norm Johnson said it could be considered as a change of business practice. The Board members said they would like to see a sample letter containing the new language for information purposes only, since they approved the concept of accepting title insurance or an attorney's opinion. Director Anderson said staff would be instructed to send copies of the letters with the new language to the Board members.

DISCUSSION OF PROJECTS

Steve Wilde said wording on page four of the Hooper Irrigation Company feasibility report should be changed from "benefactors" to "beneficiaries". Ivan Flint explained the proposed project was a portion of the Weber Basin Water Conservancy District's proposed secondary irrigation project, but the irrigation company decided to do this portion itself. The Weber Basin project is still viable without this portion. He said he looked at the entire project with the staff engineer and the irrigation company, and it looks like a feasible project and they are following the same guidelines as Weber Basin was going to use. He cautioned them about the escalating costs of power expenses.

Steve said the company was requesting authorization for the entire project, but it would be built in phases. They want the entire project authorized as the Board has done for other project sponsors then they will come back to the Board for committal of funds in separate phases.

Warren Peterson said on page 7, item 7 should be changed to a rule rather than an ordinance because it is a private company. There was a discussion about water meters. Staff said they have not found a cost-effective meter that works with "dirty water".

Steve Wilde said Val Anderson has worked on the Midway Irrigation Company's project. It was originally a three-phased project but it is now a two-phased project. The sponsor wants authorization for phase two since the Board only authorized the first phase. Phases one and two total \$9.7 million, which is less than the original cost estimate of \$16.0 million. The excavation through the pot rock wasn't as expensive as they thought, and they incorporated some existing irrigation systems into the project. Director Anderson asked if the irrigation company had received a grant from the Olympic Committee. Lucille Taylor said they would receive the \$1 million grant after the Olympics. Steve Wilde said staff reviewed the previous minutes, and the Board stated the \$1 million grant should be used to reduce the Board's share of the project. The company plans to ask the Board to allow them to use that money as part of their cost sharing and for other expenses they have incurred. Director Anderson reminded the Board members about their tour of the project area and seeing the pot rock excavating.

Mr. Wilde said the Town of Brian Head was requesting financial assistance to upgrade and improve its culinary water system. He said the funds the town received from the Board

about ten years ago should be repaid by 2019. Director Anderson said it was difficult to determine the median adjusted gross income of the residents so staff could not determine the exact amount the residents could afford to pay for water. Staff recommends the Board require the sponsor to repay the loan at 5% interest.

Warren Peterson said the Leamington Irrigation Company was ready for committal of funds, but he told the president of the company that he did not need to attend the Board meeting since the project was the same as the Board authorized.

Harold Shirley said the new application from the East Canyon Special Service District did not meet the Board's requirements and will not be presented for authorization.

Dennis Strong said the Board should emphasize the availability of funds for any project that is authorized at the Board meeting. The Board may be out of funds until March 2003 since the repayments due in March 2002 are basically spent. Staff will not know the outcome until the end of the legislative session in March.

Warren Peterson said he has talked to several key legislators regarding the 1/16% sales tax. They said the Governor cannot take the money from the Board unless there is a bill introduced that says the sales tax money will no longer be given to the Board. The Board members said they would oppose any bill that takes away the 1/16% sales tax from the Board.

Mr. Peterson talked about the Board's funds that are carried over each year. He said some of the legislators have questioned the carry over. Dennis Strong said the funds have been committed but the checks haven't been submitted and cashed. Director Anderson explained the Board receives the interest on the money so staff waits until the sponsors submit claims for the money for projects under construction so the fund never gets down to a \$0 balance. Dennis keeps a spreadsheet showing the funds that have been committed and spent.

Director Anderson invited the Board members to attend the budget hearing on Wednesday, January 30, at 2:00 p.m. in Room 304 at the State Capitol Building.

CLOUD SEEDING

Director Anderson asked Todd Adams to give an update on the cloud seeding program. Todd handed out a summary sheet showing the current cloud seeding project areas. He said the current program included the Northern Utah Project, Tooele County, West Uintas, and Central/Southern Utah. As of last week, they had seeded about seven storms. They are not getting the storms they need to seed.

Dennis Strong said if the money the Board committed for cloud seeding is not entirely spent, the funds will be returned to the Revolving Construction Fund.

NEXT MEETING

Director Anderson said the next Board meeting would be held on Thursday, March 14, in St. George in conjunction with the Utah Water Users' Workshop. He told the Board members to let Nancy know what reservations they needed.

OTHER ITEMS

Chair Taylor reported on the Central Utah Water Conservancy District Board meeting she attended. She said scoping meetings for the Utah Lake system would be held on February 27 in Provo and February 28 in West Jordan. She also reported on the problems being encountered with the Diamond Fork Tunnel construction and said construction has been stopped until the plans can be revised.

Director Anderson referred to a letter in the Board folder from Hugh Thompson to Don Christiansen indicating the Department of Natural Resources will be the cooperating agency instead of the individual divisions, and Milo Barney was identified as the contact person for the department to provide comments and coordination for the Utah Lake system.

The briefing meeting adjourned at noon.

Unapproved
MINUTES
BOARD OF WATER RESOURCES MEETING
January 25, 2002

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the December 14, 2001 meetings were approved as prepared. page 1
2. The Hooper Irrigation Company project was authorized at \$16.575 million (85%), subject to availability of funds. Financial assistance is to be repaid at between 3% and 5% interest depending on the proportion of agricultural and municipal benefit, and individual beneficiaries ability to repay determined at the time funds are committed. page 3
3. Phase II of the Midway Irrigation Company project was authorized in the amount of \$2.414 million (71%) to be returned at 2% interest in 19 years with an escalating repayment schedule. The company is allowed to use the \$1 million SLOC grant as part of its cost share. page 4
4. The Board authorized the Town of Brian Head project in the amount of \$1.7 million (85%) to be repaid in 18 years at 5% interest, subject to availability of funds. The interest rate and length of years will be determined at the time of committal of funds. page 5
5. Funds were committed to the Leamington Irrigation Company in the amount of \$68,000 (85%) to be purchased with annual payments of \$3,700 at 0% interest over approximately 19 years. page 5
6. Charles Holmgren was reappointed as the Lower Bear River Commissioner and Joseph Larson was reappointed as the Lower Bear River Alternate. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, January 25, 2002 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Lucille Taylor presided over the 1:00 p.m. meeting.

BOARD MEMBERS:

Lucille Taylor
Warren Peterson
Brad Hancock
Harold Shirley
Paul Riley
Cleal Bradford
Ivan Flint

Bill Marcovecchio was absent

STAFF MEMBERS:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Ron King, Public Affairs Officer
Eric Millis, Chief, River Basin Planning
Todd Adams, Chief, Hydrology and Computer Applications
Steve Wilde, Chief, Investigations
Lyle Summers, Chief, Water Education/Conservation
Tom Cox, Engineer
Val Anderson, Engineer
Boyd Phillips, Engineer
Russ Hadley, Engineer
Shalaine DeBernardi, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Darren Hess, Staff Engineer, Weber Basin Water Conservancy District
Chris Hogge, Engineer, Weber Basin Water Conservancy District

OTHERS PRESENT CONT'D:

Robert W. Penman, President, Hooper Irrigation Co.
Max Hunter, Vice-president, Hooper Irrigation Co.
Korry Green, Council Chairman, Hooper City
Wayne Haws, Trustee, Hooper Water Improvement District
Richard Noyes, Hooper Town Council
Leland Hale, Chairman, Hooper Water Improvement District
Durk Bailey, Mayor, Hooper City
Scott Christiansen, Manager, Hooper Water Improvement District
Bret Fowers, Board of Directors, Hooper Irrigation Co.
Wayne Wilson, Water Master, Hooper Irrigation Co.
Kurt Fowers, Hooper Irrigation Co.
Theo G. Cox, Director, Hooper Irrigation Co.
Jack Lowe, Lowe Subdivision, Hooper Irrigation Co.
Don Lowe, Lowe Subdivision, Hooper Irrigation Co.
Lorene Bingham, Hooper Irrigation Co.
J.D. Bingham, Developer, Thomas Lowe Subdivision
Vicky Fowers, Hooper Farm Bureau
Robert Fowers, Council, Hooper City
Tracy Allen, Project Engineer, J-U-B Engineers

Steve Farrell, President, Midway Irrigation Co.
Ross Wilson, Project Manager, J-U-B Engineers
Joseph T. Donbeck, Jr. Attorney, Midway Irrigation Co.

H.C. Deutschlander, Mayor, Town of Brian Head
Grey Fairbanks, Public Works Director, Brian Head Town
Doug Nielsen, Funding Specialist, Sunrise Engineering
Alden C. Robinson, Sunrise Engineering, Inc.
Travis Taylor, Project Engineer, Sunrise Engineering
John Chartier, P.E. Project Engineer, Sunrise Engineering
Judd Lawrence, Engineer, Bingham Engineering

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
January 25, 2002

Chair Taylor welcomed everyone to the meeting

APPROVAL OF THE MINUTES

Warren Peterson made the motion, seconded by Paul Riley to approve the minutes of the December 14, 2001 meetings as prepared. The Board agreed unanimously.

CHAIR'S REPORT

Chair Taylor turned the time over to Warren Peterson, vice-chairman. Mr. Peterson quoted Will Rogers, "I don't write humor, I just watch government and report the facts." Brad Hancock informed the Board of the Uinta Basin Water Conference being held the 29th and 30th of January. All are invited to attend.

WATER SUPPLY REPORT

Randy Julander reported snowpack in the northern half of the state is in the 85% range; last year this was the driest area of the state. The rest of the state is in the 60% range except the Escalante and the Virgin River basins, which are well below normal. The bulk of the snowpack came the two weeks around Thanksgiving and the first of December. We need to receive about 125-130% of snowpack in the north, 140-150% further south and in the Virgin and Escalante basins over 200% of average to get to normal by April 1.

Overall reservoir storage throughout the state is well below average with the exception of Strawberry Reservoir which has been filling continually. The 90 day temperature forecast is for above normal; this could cause an early melt and runoff.

Paul Riley asked if the NRCS had received more soil moisture gages. Mr. Julander said they had, and appreciated the Board's assistance in writing letters in their behalf.

FEASIBILITY REPORTS

#E060 Hooper Irrigation Company

Chair Taylor introduced Robert Penman, president; Max Hunter, vice-president; Leland Hale, Chairman of the culinary water board; Durk Bailey, Mayor of Hooper; Scott Christiansen, manager of Hooper Water Improvement District; Bret Fowers, Board of Directors; Wayne

Wilson, Watermaster; Kurt and Vicky Fowers, Hooper; Theo Cox, Hooper Irrigation; Jack Lowe, Lowe Subdivision; Lorene Bingham, Hooper pressure irrigation project; J.D. Bingham, developer for Thomas Lowe Subdivision; Don Lowe, Korry Green and Richard Noyes, Hooper Town Council; Wayne Haws, Hooper; and Tracy Allen, project engineer for J-U-B Engineers. Russ Hadley reported the irrigation company provides irrigation water to about 11,700 agricultural acres and 700 acres of residential lawns and gardens. The water travels through a series of open earth and concrete-lined ditches and some low pressure concrete pipelines. The unlined ditches are inefficient and seepage from the ditch system has caused some septic system drainage fields to back up and migrate into surface water, contaminating it.

The company is requesting financial assistance to construct a four-phased pressurized irrigation system to serve agricultural and residential users. The estimated cost is \$19.5 million. The first phase of the project will consist of a regulating reservoir, pump station, and about 11 miles of pipeline to serve farms and residences in and around Hooper. About 1800 acres will be put under pressurized irrigation, equally divided between agricultural and municipal. J-U-B Engineers will provide design and construction.

The overall project will replace most of a project previously authorized by the Board for the Weber Basin Water Conservancy District (WBWCD). Negotiations between the company and the district were terminated as the company did not want to relinquish its water rights. The company and the engineer feel the project can be constructed more economically if it is sponsored by the irrigation company.

Based on the Board's affordability guidelines, Hooper residents could pay up to \$54.79 per month for all water service. They're currently paying \$45.39 per month for culinary water and about \$42 per year for irrigation water per home. The company presently plans to charge all residential and agricultural users a \$700 connection fee, plus \$25/month/share to pay for the proposed project. The benefit/cost ratio is 1.25.

Max Hunter, vice-president of the irrigation company, thanked Mayor Bailey and Lee Hale, chairman of the culinary water board for attending the Board meeting. He said they had a good relationship in the community and these gentlemen came to the meeting showing support for the irrigation company. Mr. Hunter informed the Board of the history of the irrigation company. He said a year ago the company met with the homeowners and 87% of them voted to proceed with the project. He said they currently have 30% of the company's irrigation system in land occupied by homes and subdivisions; flood irrigation does not work in subdivisions. This project will conserve water. He thanked the Board for their consideration of the Hooper Irrigation Company project. He gave the Board a letter signed by the Hooper Irrigation Company Board of Directors indicating support of the project.

Tracy Allen said they were going to control the usage of water by connection sizes. A 1" connection for a one-acre lot is adequate. This should keep the cost down. The company also will not allow watering during the 10 a.m. – 6 p.m. period.

Ivan Flint explained the relationship between Hooper Irrigation Company and the Weber Basin Water Conservancy District. He stated the irrigation company said they would rather build their own secondary water system using their own water. WBWCD was acceptable with that, but still plans to go ahead with the remainder of that project. He said he had toured the project and made a motion to authorize the Hooper Irrigation Company project with the Board of Water Resources share being \$16.575 million (85%). Financial assistance is to be repaid at between 3% and 5% interest depending on the proportion of agricultural and municipal benefit, and individual beneficiaries ability to repay determined at the time funds are committed. Chair Taylor said he needed to include "subject to availability of funds". Cleal Bradford seconded the motion.

Mayor Bailey said the original proposal indicated the interest rate would be from 1-5%, and the final proposal said 3-5%. He said they would be having a sewer project on the heels of the secondary water project and asked the Board to keep that in mind when the decision is made regarding interest rate and repayment. He also informed the Board he thought the communities in the unincorporated areas in the north are interested in doing additional projects in the future rather than WBWCD doing the rest.

Lee Hale, culinary water board chairman, said he had been working on the project for about six years to help alleviate the impact on the city's culinary water. He explained the history of the proposed project and the importance of a secondary water system. Director Anderson said he was happy to hear Mr. Hale's remarks and hoped the city would pass an ordinance that citizens cannot water out of the culinary system. He then explained the process that would occur before committal of funds can take place.

Chair Taylor called for a vote on the motion. The Board agreed unanimously.

#E064 Midway Irrigation Company

Chair Taylor introduced Steve Farrell, president; Joseph T. Donbeck, attorney; and Ross Wilson, project manager, J-U-B Engineers. Val Anderson reported in June 1997 the Board authorized \$12.8 million for a three-phased pressurized irrigation project in the agricultural areas of Midway. In October, 1998 the company met with the Board to request committal of funds for Phase I which had grown to include 42,000 additional feet of pipe to create a pressurized lawn and garden irrigation system in Midway. The three-phased project was then changed to two phases. The Board agreed to the increased Phase I cost of \$6.3 million and also agreed to provide 85% of the costs, instead of the 80% agreed to at authorization, with the understanding that when all phases of the project are complete the Board's cost share will be 80%.

Phase I included the installation of pipeline to the Olympic cross country and biathlon venue. The sponsor will obtain a \$1 million grant from the Salt Lake Olympic Committee after the Olympics. The Board made it clear when funds were committed the \$1 million should be used to reduce the company's obligation to the Board.

The company's requesting financial assistance to construct Phase II by installing 34,000 feet of 24-42-inch transmission pipeline, and constructing a 40 acre-foot regulating reservoir. J-U-B will do the final design and construction engineering.

The size and cost of the overall project have decreased as a result of the company being able to incorporate several existing irrigation systems into the Phase I system, and by requiring each new subdivision to install its own pressurized irrigation system. The total project cost of both phases has been reduced from \$16.0 million to \$9.7 million.

Steve Farrell expressed appreciation for the opportunity to appear before the Board. He also thanked staff and especially Val Anderson for their efforts. He said the first phase went into operation last year, and during the drought it worked amazingly well. The company obtained a line of credit for \$1 million to be repaid with the SLOC grant, and has spent \$500,000 so far. Larry Anderson asked if they were willing to use the \$500,000 remaining to reduce the company's obligation to the Board. Mr. Farrell said they would like to use it as part of the company's cost share.

Cleal Bradford made the motion to authorize Phase II of the Midway Irrigation Company project in the amount of \$2.414 million (71%) to be returned at 2% interest in 19 years with an escalating repayment schedule. Paul Riley seconded the motion. Chair Taylor said something was overlooked in the last motion and asked Mr. Bradford to rephrase the motion to be voted on again. Mr. Bradford restated the motion, with the addition the company is to be allowed to use the \$1 million SLOC grant as part of its cost share. Mr. Riley seconded the motion, and it was agreed upon by the Board.

#L541 Town of Brian Head

Chair Taylor introduced H.C. Deutschlander, mayor; Grey Fairbanks, Public Works Director; Doug Nielsen, Alden Robinson, Travis Taylor, and John Chartier, Sunrise Engineering; and Judd Lawrence, Bingham Engineering. Shalaine DeBernardi reported Brian Head provides culinary water from springs and wells to 130 houses and 1060 condominium units, hotel rooms, and commercial establishments. The system has some pipes too small to carry required flows at adequate pressures, pipes that leak, inadequate pumping capacity, areas where pressures are too high, an inefficient chlorination system, and no automated system for operating the entire network of wells, pumps, and tanks. Brian Head is requesting financial assistance to upgrade and improve its culinary water system by redeveloping several springs, reequipping a major well, replacing small and leaky pipes, installing new pipelines, renovating existing pressure regulating stations and installing new ones, adding automated chlorination stations, and installing a radio telemetry system. Bingham Engineering will provide design and construction engineering services. The project is estimated to cost \$2 million.

Based on the Board's current water service affordability guideline residents can pay up to \$25.24 monthly for water; the proposed project will be \$36.72 cost/connection/month. Last October Brian Head raised its monthly water rates for homes, condominiums, and hotel rooms by 50%, to \$36.00; commercial rates were raised to \$66.00 monthly.

The Board provided financial assistance in 1979 and in 1993 for various culinary system improvements and for snowmaking development. The financial assistance will be repaid in 2019.

Mr. Fairbanks said about 2-2 ½ years ago the company asked Sunrise Engineering to come up with a master water plan to try to determine what direction they should proceed or what problems may arise. They wanted to get ahead of the curve instead of always playing catch-up. He said they questioned whether they were receiving maximum production from a couple of springs above the town of Brian Head, and also the system installed in the 70's was not in the year 2000 approved style and water was being lost from it. He said the reason they wanted to redevelop the springs was to capture more gravity water and save on pumping costs.

Mr. Nielsen said the payback terms were such that there would not be any funds available for any emergency situation or future development; he requested the length of the payback and the interest rate be reconsidered before committal of funds. Director Anderson said because of the transient nature of Brian Head it is virtually impossible to tell what the appropriate repayment is or what the ability to repay is. He said staff was comfortable with the 5% interest and 18 years payback, however it does take the city's reserves; the city will have to do something with the rate structure to create the reserves. He said the proposed project was being constructed for the tourist population, and the hotels and motels may have to raise their rates.

Harold Shirley made the motion to authorize the Town of Brian Head project in the amount of \$1.7 million (85%) to be repaid in 18 years at 5% interest, subject to availability of funds. The interest rate and length of years may be considered at the time of committal of funds. Warren Peterson seconded the motion, and it was agreed upon by the Board.

COMMITTAL OF FUNDS

#E063 Leamington Irrigation Company

The Leamington Irrigation Company is requesting financial assistance to replace a ditch with 3,700 feet of 21-inch PVC pipeline, and construct two concrete transition structures and eight turnouts. The project is estimated to cost \$80,000. Warren Peterson declared a conflict of interest. Paul Riley made the motion to commit funds to the Leamington Irrigation Company in the amount of \$68,000 (85%) to be purchased with annual payments of \$3,700 at 0% interest over approximately 19 years. Ivan Flint seconded the motion and the Board agreed. Warren Peterson abstained.

REAPPOINTMENT OF BEAR RIVER COMMISSIONERS

Larry Anderson said it is recommended the Board reappoint Charles Holmgren as the Lower Bear River Commissioner and Joseph Larson as the Alternate. He said they should have been reappointed in 2001. Paul Riley made the motion to reappoint Charles Holmgren as the Lower Bear River Commissioner and Joseph Larson as the Lower Bear River Alternate. Cleal Bradford seconded the motion and it was agreed upon by the Board.

DIRECTOR'S REPORT

Larry Anderson handed out a copy of "Water for Utah" to the Board members. He said this report was handed out to the Legislature. It was prepared by Dennis Strong and Boyd Phillips explaining what has been accomplished at the Division of Water Resources.

Director Anderson said the representatives from each of the seven basin states are meeting frequently to talk about the Colorado River Delta. He explained what is going on between the basin states and the country of Mexico regarding water for the Delta.

Eric Millis provided the Board information regarding the bills before the Legislature that relate to water issues.

Director Anderson said the Governor will present his State-of-the State message next Monday. The Governor is going to talk about his 1000 day plan. The division was invited to meet with the Governor's staff to discuss what the division intends to do during the next 1000 days in water development for infrastructure and water conservation. He advised the Board to listen to the Governor's speech as he may re-emphasize conservation and the importance of having an adequate water supply for the future for the citizens of the state.

Meeting adjourned at 3:07 p.m.

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

December 14, 2001

Room 314, Utah Division of Water Resources
Department of Natural Resources
1594 West North Temple
Salt Lake City, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
December 14, 2001

The Board of Water Resources met in a briefing session on December 14, 2001 at 8:30 a.m. in Room 314 at the Utah Division of Water Resources.

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Ivan Flint
Brad Hancock
Cleal Bradford
Harold Shirley
Paul Riley
Bill Marcovecchio

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Assistant Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Eric Millis, Chief, River Basin Planning

VISITORS

Russ Donoghue, Rural Water Association of Utah

Chair Lucille Taylor called the briefing meeting to order. She welcomed Russ Donaghue, who is Executive Director of the Rural Water Association of Utah. She said she had known him and his parents for a long time.

Director Anderson talked about the pending appointment of Kathleen Clarke as the new director of the Bureau of Land Management. After she is confirmed by the U.S. Senate, the Governor will appoint the new executive director of the Department of Natural Resources. Mr. Anderson said Art DuFault, Director of Forestry, Fire and State Lands, transferred to SITLA; and John Kimball, Director of Wildlife Resources, is retiring. The new department director will need to appoint their replacements.

DISCUSSION OF PROJECTS

Warren Peterson said the Leamington Irrigation Company needs to replace its leaking ditch with some pipeline and is requesting \$68,000 from the Board of Water Resources. Director Anderson said it is a straightforward project and should not be controversial.

Director Anderson said Dennis Strong and Steve Wilde have been working with the Attorney General's office regarding the Summit Water Distribution Company's project. There have been numerous legal challenges and lawsuits regarding the project. Mountain Regional Water Special Service District attempted to condemn the company and take over the sponsor's system, but the court rejected the claim.

The Board reauthorized the Summit Water Distribution Company's project in November, 2000; and the company has complied with all of the requirements and is now requesting committal of funds for its water treatment plant. The company has two water rights that are free and clear and can be transferred to the Board, but three water rights are currently in the State Engineer's administrative hearing process. Director Anderson said the two water rights are more than adequate security to guarantee the Board's financial assistance. After considerable discussion, staff suggested the Board should require the company to transfer the other three water rights to the Board if and when the legal challenges to the rights are resolved since that water will be run through the treatment plant. The Board will take title to the facilities and the water that goes through the treatment plant. Ivan Flint said he is familiar with the company and the project and has talked with the company's attorney. Since the sponsor does not intend to dry up East Canyon Creek, he is satisfied with the project.

Dennis Strong said the Ferron Canal and Reservoir Company would not be at the Board meeting to request committal of funds since the project is the same as the Board authorized. Steve Wilde said it is a seven-phase project and they have built the first three phases. They built the pipeline with federal money. The company requests the Board commit the \$2 million authorized to purchase materials and install the Molen Ditch Group system. Mr. Bradford said there are deadlines on each of the phases and they require separate bidding. Director Anderson said the company is acting as its own contractor; but since there are federal funds involved, they have to comply with federal requirements.

Bill Marcovecchio said the Herriman Pipeline and Development Company project is ready and the company is requesting committal of funds. Mr. Wilde said the company wants to do some spring development work that was not part of the authorization which has caused the project cost to increase. Staff thinks it is a good idea to develop springs in Rose Canyon. The company wants an extra \$52,000 from the Board with the same repayment time of 10 years. Mr. Marcovecchio said now is the time to do the work on the springs before more building is done in the area.

Chair Taylor asked Paul Riley if he had questions on the proposed request from the Irrigation Company of the West Fork of Grouse Creek. Mr. Wilde said the Board helped this company several years ago with the installation of a gravity pressurized system that tied into Etna Reservoir. The agreement with the Board stated all payments through the year 2000 would be \$24,000; in 2001 the payment would go up to \$32,000. Mr. Gould, the company president, wrote a letter requesting the company's payments remain the same for one more year since its water supply has been low the past several years, leading to reduced crop yields; and it has had to depend more on feeding hay to its livestock because of the drought and range fires. After talking to the NRCS, staff suggests the Board approve the company's request and amend the contract provided the sponsor is current on its repayments.

Steve Wilde said the Board committed funds to North Salt Lake City in June, 2000; but the city ran into unexpected conditions during project construction. When excavation began on the tank site, unstable soils were discovered that had to be excavated approximately twice as deep as originally estimated. In addition to extra costs associated with the overexcavation, there were other additional costs, which increased the project cost by \$550,000. The city is requesting an additional \$440,000 from the Board. Staff recommends the bond be amended to provide the additional funds and to state the city will repay the bonded indebtedness in 13 years.

Chair Taylor said Loa Town received funding from the Community Impact Board so staff recommends withdrawing the application from further consideration by the Board.

OTHER ITEMS

Director Anderson asked the Board members to look at the tentative schedule for next year's Board meetings. Staff requests the January Board meeting be held on January 25 rather than January 18 as shown. Staff will work with the respective Board members on the tours in their areas.

Mr. Peterson suggested some nonsubstantive changes be made in the wording of the Guidelines for Applicants on pages 3 and 4. Chair Taylor asked if there were any objections to making the changes. Director Anderson said staff would make the changes.

Mr. Peterson talked about some of the proposed legislation he had been involved with regarding water forfeiture amendments and forfeited water right allocation. He said the bills are posted on the legislative web site.

Director Anderson said he heard rumors that the Governor wants to take the 1/16% sales tax monies that come to the water funding agencies to use for other purposes because of the budget shortfall. The Board of Water Resources receives about \$8 million per year from those funds.

Cleal Bradford said Director Anderson made an excellent presentation regarding water conservation issues at the Community Impact Board meeting. He suggested CIB adopt the same policy as the Board of Water Resources adopted, but some of the members had concerns about the regulations so no action was taken by the CIB. Mr. Bradford said there was support for requiring adoption of conservation plans but not for requiring time-of-day watering ordinances or progressive water rate schedules.

The Board members were told about the Uinta Basin Water Conference that is being held on January 29 and 30, and also about a workshop for agricultural water suppliers being held in Provo on January 11.

The Briefing meeting adjourned at 9:50 a.m.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
December 14, 2001

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah 84116

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Attachment – 2002 Board Meeting Schedule

SUMMARY OF BOARD ACTIONS

1. The Minutes of the November 2, 2001 meetings were approved with some grammatical corrections. page 1
2. The Leamington Irrigation Company project was authorized in the amount of \$68,000 (85%) to be purchased with annual payments of \$3,700 at 0% interest over approximately 19 years. page 2
3. The Board committed funds to the Summit Water Distribution Company in the amount of \$3 million (24.2%) to be returned in approximately 14 years at 5% interest with escalated repayments. The two water rights will be turned to the Board for collateral and the other three water rights, when they are cleared by the State Engineer's office, will be transferred to the Board of Water Resources before they are used as water supply in the treatment plant. page 2
4. Funds were committed to the Ferron Canal and Reservoir Company in the amount of \$2 million (35%) to be returned at 3% interest over not more than 25 years with annual payments of \$60,000 the first year, \$90,000 the second, and \$120,000 thereafter. page 3
5. The Board committed funds to the Herriman Pipeline and Development Company in the amount of \$637,000 (80%) to be returned in 10 years at 0% interest with annual payments ranging from approximately \$33,000 to \$73,000. page 3
6. The contract for the Irrigation Company of the West Fork of Grouse Creek was amended to make the December 1, 2001 payment \$24,000, and all subsequent payments \$32,000. page 4
7. The contract for North Salt Lake was amended to provide an additional \$440,000. The city will repay the \$1.158 million bonded indebtedness in 13 years at 1.8% interest beginning in 2002, with payments ranging from about \$21,000 to \$344,000. page 4
8. The Loa Town application was withdrawn from further consideration by the Board. page 4
9. The 2002 Board Meeting Schedule was approved. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, December 14, 2001 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Lucille Taylor presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Brad Hancock
Ivan Flint
Paul Riley
Bill Marcovecchio
Cleal Bradford
Harold Shirley

STAFF MEMBERS:

D. Larry Anderson, Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Ron King, Public Affairs Officer
Ben Everitt, Chief Geologist
Eric Millis, Chief, River Basin Planning
Steve Wilde, Chief, Investigations
Tom Cox, Engineer
Gina Hirst, Engineer
Val Anderson, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Ray Wilson, USDA-NRCS, Snow Survey
Russ Donoghue, Executive Director, Rural Water Association
Chris Hogge, Engineer, Weber Basin Water Conservancy District
Doug Nielsen, Project Manager, Sunrise Engineering
Jonathan Ward, Vice-president, Zions Bank Public Finance
Alex Buxton, Asst. Vice-president, Zions Bank Public Finance

OTHERS PRESENT CONT'D:

Sylvan, Lovell, President, Leamington Irrigation Company
Elmo Neilsen, Vice-president, Leamington Irrigation Company

Hy Saunders, President, Summit Water Distribution Co.
Stuart Knowles, Shareholder, Summit Water Distribution Co.
Lynn H. Nelson, Summit Water Distribution Co.
Bob Valentine, Summit Water Distribution Co.
Fran Amendola, Summit Water Distribution Co.
Van J. Martin, General Manager, Summit Water Distribution Co.
John Leo Davis, Attorney
John Flitton, Attorney
Grant S. Cooper, Engineer
Tena Campbell, Engineer, Carter & Burgess Inc.

Lynn Egbert, President, Herriman Pipeline & Development Co.
Don Olsen, Epic Engineering

Frank Gould, President, Irrigation Co. of the West Fork of Grouse Creek
Dusty LaBarr, Irrigation Co. of the West Fork of Grouse Creek

Rod Wood, Public Works Director, North Salt Lake City
Jason Burningham, Principal, Lewis Young Robertson & Burningham
Brian Campbell, Engineer, ESI Engineering
Paul Ottoson, City Engineer, North Salt Lake City
Brian Passey, North Salt Lake City

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
December 14, 2001

Chair Taylor welcomed everyone to the Board meeting.

APPROVAL OF THE MINUTES

Cleal Bradford made the motion seconded by Paul Riley to approve the minutes with some grammatical corrections. The Board agreed.

CHAIR'S REPORT

Warren Peterson reminded the Board that Board member Harold Shirley is completing 12 years as Mayor of Cedar City; he has served long and well as mayor. Chair Taylor welcomed Russ Donoghue of the Rural Water Users, and Chris Hogge of the Weber Basin Water Conservancy District. Chair Taylor referred to a letter in the Board folder addressed to her from Governor Leavitt saying he appreciated the Board's work, and thanked the Board for requiring municipal water suppliers who come to ask for financial assistance to submit water conservation plans, adopt time-of-day landscape water ordinances prohibiting watering lawns between 10 a.m. and 6 p.m., and implement a water conservation water rate schedule.

WATER SUPPLY REPORT

Ray Wilson of the NRCS reported the state has received more snowpack this water year than in the last five years. The southern part of the state received less than the northern. Reservoir storage is down especially in the north; Quail Creek is about the same. Mr. Wilson said the streamflow forecast begins in January.

FEASIBILITY REPORT

#E063 Leamington Irrigation Company

Chair Taylor introduced Sylvan Lovell, president; and Elmo Neilsen, vice-president. Val Anderson reported the company is requesting financial assistance to replace the Lovell Ditch with 3,700 feet of 21-inch PVC pipeline as it loses an estimated 100 acre-feet annually to seepage, and the company has O&M costs of about \$800 annually. The NRCS will design the project and inspect construction. The project is estimated to cost \$80,000. The Board extended financial assistance to the company on one previous occasion; annual payment of about \$1,400 is being made to the Board through 2003 for that project.

Mr. Lovell said they appreciate the Board considering authorization at this time as they need to proceed with the project. Val Anderson has provided them with information necessary for committal of funds.

Paul Riley stated because of Warren Peterson's conflict of interest he would make the motion to authorize the Leamington Irrigation Company project in the amount of \$68,000 (85%) to be purchased with annual payments of \$3,700 at 0% interest over approximately 19 years. Bill Marcovecchio seconded the motion and the Board agreed unanimously. Warren Peterson abstained from voting.

COMMITTAL OF FUNDS

#D776 Summit Water Distribution Company

Chair Taylor introduced Hy Saunders, president; Lynn Nelson, Bob Valentine, Stuart Knowles, Fran Amendola, shareholders; Van J. Martin, general manager; John Leo Davis and John Flitton, attorneys; and Grant S. Cooper and Tena Campbell, engineers. Val Anderson reported the company is requesting financial assistance to construct a 6.5 MGD microfiltration culinary water treatment plant. The project is presently under construction and scheduled for completion in April, 2002. Although the project cost has increased from \$11.32 million to \$12.4 million, the Board's cost share remains the same at \$3 million.

Ivan Flint mentioned there is competition in Summit County, especially Park City area, with two water projects being considered. He said in his opinion both projects were needed and didn't need to take the place of or interfere with the other. Mr. Flint said the two water rights used for collateral are in good standing. He made the motion to commit funds to the Summit Water Distribution Company in the amount of \$3 million (24.2%) to be returned in approximately 14 years at 5% interest with escalated repayments. The two water rights will be turned to the Board for collateral and the other three water rights, when they are cleared by the State Engineer's office, will be transferred to the Board of Water Resources before they are used as water supply in the treatment plant. Norm Johnson said the contract would contain this language. Paul Riley seconded the motion, and it was agreed upon by the Board.

#D942 Ferron Canal and Reservoir Company

Tom Cox reported the Ferron Canal and Reservoir Co. has completed three phases of its project and is now ready to proceed with installation of the Molen Ditch Group system over the next two years. Pipe was purchased using federal funds. The company is requesting the Board commit the \$2 million authorized to purchase fittings and install the system. Federal funds have been reserved for the final two phases (Clawson and Rock Canyon Ditch groups) that will be constructed at a later date. Director Anderson explained the Colorado River Basin Salinity Control program that is responsible for providing the federal funding used for projects affected by salt getting into the river system.

Cleal Bradford made the motion to commit funds to the Ferron Canal and Reservoir Company in the amount of \$2 million (35%) to be returned at 3% interest over not more than 25 years with annual payments of \$60,000 the first year, \$90,000 the second, and \$120,000 thereafter. Bill Marcovecchio seconded the motion and the Board agreed. Warren Peterson abstained.

#E055 Herriman Pipeline and Development Company

Chair Taylor introduced Lynn Egbert, president; and Don Olsen, engineer from Epic Engineering. Gina Hirst reported the company is requesting financial assistance to improve its culinary system and also for development work on its springs in Rose Canyon, which was not part of the project authorized by the Board.

Based on final design, plus the requested addition of the spring development work, the current cost estimate exceeds that authorized. The total project cost is now \$796,000. Mr. Egbert said because of the demand on the springs during last year's drought it was determined the springs needed to be updated, and the company decided to do the whole project at once instead of doing it over several years. The company is therefore requesting additional funds to cover the cost of the spring repair. Lucille Taylor asked how soon they planned to do the work. Mr. Egbert said because of the snow in the area they will not be able to proceed until spring.

Bill Marcovecchio said he had toured the project and felt it was better to take care of the spring repair now before building gets more intense in the area. He made the motion to commit funds to the Herriman Pipeline and Development Company in the amount of \$637,000 (80%) to be returned in 10 years at 0% interest with annual payments ranging from approximately \$33,000 to \$73,000. Ivan Flint seconded the motion, and it was agreed upon by the Board.

SPECIAL ITEMS

#D905 Irrigation Company of the West Fork of Grouse Creek

Chair Taylor introduced Frank Gould and Dusty LaBarr. Steve Wilde reported several years ago the Board provided about \$308,000 to the company to improve its agricultural irrigation system in the extreme northwestern corner of the state. The irrigation company is requesting its 2001 payment due this month be \$24,000 instead of \$32,000, and payments from 2002 on be \$32,000 because the drought caused a 25%-65% reduction in grazing areas, and also, fires in the upper parts of the Grouse Creek drainage area have caused the BLM to hold the sponsor off its grazing allotments for this year and likely next year. Due to the reduced crop yield the company has had to depend more on hay for livestock with less opportunity for range feeding.

Paul Riley asked Mr. Gould if the company had made the \$24,000 payment. Mr. Gould said they had. Mr. Riley made the motion to amend the contract for the Irrigation Company of the West Fork of Grouse Creek and make the December 1, 2001, payment \$24,000, and all

subsequent payments \$32,000. Warren Peterson seconded the motion and the Board agreed unanimously. Director Anderson said he wanted the company to be aware that because the contract is written for the payment to be \$32,000 in December, 2001, a penalty may be charged.

#L530 North Salt Lake

Chair Taylor introduced Rod Wood, Brian Passey, Paul Otteson, Brian Campbell and Jason Burningham. In June 2000, the Board committed \$718,000 to the city as part of an interest rate buydown; the city obtained a \$1.461 million market loan to upgrade the city's culinary water system in phases.

When excavation began on the tank site, it was realized there were other unstable soils that were not discovered when the geotechnical studies were conducted. They had to import compacted fill in order to stabilize the foundation. The second phase was to retrofit, clean and deepen the Flying J well. An extra room was also added to the pump house for fluoridation equipment. The city just completed drilling another new well, which will produce 1,500 gpm instead of the anticipated 800 gpm. Because of this, the city would like to enlarge the pipeline planned to run from the well to an existing reservoir. The increased cost of the project is \$550,000.

Mr. Wood said they had completed most of the phases of the project. He also said they had asked their residents to conserve water and because of courses taught through Utah State University they had conserved 12% over the previous year. He said the city was in the middle of a thorough study of its water rates. He said because of the above, the city will be fiscally sound in 2002.

Ivan Flint made the motion to amend the contract for North Salt Lake and provide an additional \$440,000. The city will repay the \$1.158 million bonded indebtedness in 13 years at 1.8% interest beginning in 2002, with payments ranging from about \$21,000 to \$344,000. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#L542 Loa Town

The Community Impact Board voted to fund the Loa Town culinary water system improvements, therefore, staff recommends its application be withdrawn.

Warren Peterson made the motion to withdraw the Loa Town application from further consideration by the Board, seconded by Cleal Bradford and agreed upon unanimously by the Board.

APPROVAL OF NEXT YEAR'S BOARD MEETING SCHEDULE

Harold Shirley made the motion to approve the amended 2002 Board meeting schedule (copy attached). Paul Riley seconded the motion and it was agreed upon by the Board.

DIRECTOR'S REPORT

Director Anderson asked Lloyd Austin, Asst. Director, to introduce two new division employees. They both work for Lyle Summers; Molly Waters is the new Water Conservation Coordinator and Rick Webster is the new Water Education Coordinator. They each introduced themselves and told of their background. Chair Taylor welcomed both of them and said the Board looked forward to working with them.

Director Anderson said during the Olympics the division office will be open from 6:00 a.m. to 2 p.m. in order to reduce local traffic.

Mr. Anderson said Kathleen Clarke is being voted on in the U.S. Senate for her appointment as Bureau of Land Management director. Director Anderson said he attended and testified at the U.S. House of Representatives field hearing in Las Vegas regarding the "Implementation of the California Plan for the Colorado River".

NEXT BOARD MEETING

The next Board meeting will be held January 25, 2002 at 1:00 p.m. in Salt Lake City at the Department of Natural Resources building.

Board meeting adjourned at 11:30 a.m.